Counterpunch

A Report from the Capital

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"Death Squad Debbie" Weds Honduran Colonel

Helms aide kept on staff despite move to Tegucigalpa

The wedding announcement, published in *The Washington Post* in mid-January, featured a photograph of a beaming bride in white. Deborah Lynne De Moss, it read, had worn "a light ivory gown of Italian satin and a tiara of pearls and diamonds" at her Palm Beach wedding to Hector Rene Fonseca of Honduras.

Unbeknownst to most readers, the woman beneath the veil was a long-time employee of Sen. Jesse Helms known to many as "Death Squad Debbie" due to her close association with Latin American military establishments. Fonseca, who De Moss brags to friends will one day be Honduras's next president, is a powerful colonel and likely to be that country's next armed forces chief of staff.

De Moss has been Helm's chief Latin American specialist for more than a decade, most recently as a professional staffer at the Senate Foreign Relations Committee, (SFRC) where the North Carolina senator is the ranking minority member. Though now residing in Tegucigalpa, she will continue to work for the SFRC as a consultant. "Her knowledge of the area and contacts with the leaders of the region [make her irreplaceable]," says Adm. James Nance, the Committee's minority staff director, who claims De Moss will not be paid for her services.

Honduras's would-be First Lady comes from one of America's most fanatical right-wing families. The Arthur S. De Moss Foundation of St. Davids, Pennsylvania is named after her father, the former head of the National Liberty Life Insurance Co., who died in 1979. With some $364 million in assets, the Foundation is a chief funder of the radical anti-abortion movement, conservative Latin American groups and, naturally, Jesse Helms. Mark De Moss, Debbie's brother, runs a public relations firm in Atlanta and is a spokesman for the Moral Majority's Jerry Falwell.

De Moss sprang to fame in conservative circles by helping push the Reagan administration to break with Panamanian dictator Gen. Manuel Noriega. De Moss despised the general, whom she met in Panama in the mid-1980s and correctly accused of ordering the murder of opposition leader Hugo Spadafora. Noriega retaliated by having derogatory allegations against her published in the Panamanian press—allegations pulled from a file on De Moss that the CIA prepared for the dictator, a long-time Agency asset.

Defenders praise De Moss's efforts in Panama, saying she was motivated by her abhorrence of Noriega's illicit activities. It's just as likely that she was more concerned about the general's friendliness towards Cuba and fears that he had hostile designs on the Panama Canal, a sacred piece of real estate in rightist circles.

While saying she supports "conservative democracies" for Latin America, De Moss openly aligned herself with the region's most notorious fascists. She was on warm terms

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Elliott Abrams's Day in Court

There's something about Elliott Abrams, even more than Oliver North, Caspar Weinberger and other prominent figures from the Reagan years, that provokes an especially powerful visceral reaction. This was recently experienced by a friend of **Counterpunch**'s who bumped into the former Assistant Secretary of State at a computer store near Washington. Unable to resist the opportunity, she approached Abrams and—quickly abandoning a vow of moderation—declared him to be a "truly evil man" and "war criminal." An agitated Abrams responded by threatening to have her arrested (on unspecified charges) and calling her "a rotten bitch."

It's therefore gratifying to report that Abrams, a Harvard Law School graduate, is groveling before the D.C. Court of Appeals in the hopes of overturning the local Bar Association's recommendation that he be suspended from the legal profession for one year. The sanction is being sought for Abrams's role in the Iran/*contra* affair, specifically his 1991 guilty plea on two counts of "withholding information" from Congress. For that crime Abrams, now on staff at the far-right Hudson Institute, was sentenced to two years probation.

Abrams, who worked closely with North and other key Iran/*contra* players, lied to lawmakers on numerous occasions. The two incidents for which he was held liable occurred in the fall of 1986, shortly after Eugene Hasenfus's supply plane was shot down by Sandinista gunners. On October 10 he swore that he had no knowledge of illegal aid to the *contras*, saying "[The U.S. has] been kind of careful not to get closely involved. We do not encourage people to do this." Four days later he told a House committee that published reports of foreign governments providing money to the *contras* were "false." Just a few months earlier, under the alias of "Mr. Kenilworth," Abrams had secured $10 million for the *contras* during a stroll through London's Hyde Park with an official from the government of Brunei.

Abrams's central argument before the Court of Appeals is that his 1992 pardon from George Bush "blots out" his misconduct and that he is therefore not subject to discipline by the Bar Association. He also throws himself at the mercy of the Court, saying he has fallen on hard times since his guilty plea. "Most punishing of all," reads one passage in a defense brief, is that "Mr. Abrams has had to accept the harsh reality that his chances of returning to the employment he most loved and desired—public service with the federal government—are probably gone forever."

Defense lawyers portray Abrams as the hemisphere's leading human rights crusader, claiming he was one of several government officials "systematically kept out of the loop" on Iran/*contra* because they "were too preoccupied by reported abuses by the contras and could not be trusted. This would have been a particular concern with respect to Mr. Abrams because of his intense interest in human rights." It's almost hard to remember that Abrams passionately defended the *contras* against well documented charges of terrorism, even suggesting that Ben Lindner, the unarmed American volunteer they murdered, was a "legitimate target." And who can forget his response to the initial reports of the Salvadoran military's massacre of hundreds of peasants at El Mozote—that they were not "credible."

Especially ironic are a packet of letters submitted by the defense which extol Abrams's humanitarianism. Most were written by individuals who have sanctioned criminal activity around the globe, but who in Washington are called "character witnesses":

- Marc Bazin, who served as president of Haiti under the military junta that overthrew Jean-Bertrand Aristide. He calls Abrams "a good and decent man."
- William Doherty, Executive Director of the American Institute for Free Labor Development (AIFLD), an organization, according to Doherty's letter, "involved in helping the working people of Central and South America defend their democratic freedoms." Penny Lernoux more accurately labelled AIFLD, which financed military coups in Guatemala, Brazil and Chile, as "a way for U.S. companies, working in cahoots with repressive governments, to replace independent unions with company ones." Doherty, who has been termed a "career CIA agent," calls Abrams an "outstanding character."
- Paul Wolfowitz, Assistant Secretary of State for East Asian Affairs under Ronald Reagan, who backed Philippine dictator Ferdinand Marcos well after most U.S. officials had decided to dump him. In mid-1985 he told Congress of "broad press freedom" and "revitalization of political institutions" under Marcos, this at a time when 14 journalists had recently been murdered by security forces and during a generalized upsurge in summary executions by the military. This paragon of human rights says Abrams always showed "great concern for matters of personal integrity."

Like many of the letter writers, Wolfowitz displays a spotty memory concerning Abrams's past. He calls the ex-Secretary an "outspoken opponent of the Panamanian dictator Noriega," when, in fact, Abrams was one of the general's fiercest supporters. In the Spring of 1986, just months before the Reagan administration cut Noriega loose after years of faithful employment, Abrams told Congress that Panama was "one of the most open societies in the hemisphere" and pointedly reminded lawmakers that with the general in power the U.S. had "never lacked a sympathetic hearing for our views."

Abrams's next hearing before the Court is expected to be held in April but a decision will probably not be announced until late this year. Hopes should not be too high, however, as the Bar Association's disciplinary system is notoriously lawyer-friendly. Observers say the Court may sanction Abrams, but believe his suspension will be reduced to no more than three months. •

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"Debbie," from p. 1

with Salvadoran death squad leader Roberto d'Aubuisson, who former U.S. ambassador Robert White termed a "pathological killer." The Carter administration classified d'Aubuisson a terrorist and denied him a visa, but after Reagan took office De Moss reportedly helped clear up his status so he could again travel to the U.S. She also served as an informal advisor to d'Aubuisson's ARENA party.

Another of De Moss's heroes was Nicaragua's Enrique Bermudez, the former Somoza dictatorship National Guardsman and *contra* commander whose troops routinely committed atrocities against civilians. To demonstrate her conviction to the cause, De Moss proudly kept a photograph on her desk which was taken as she fired off an AK-47 in a *contra* camp. "She was the Catherine the Great of the *contra* movement," recalls Larry Birns, director of the Council on Hemispheric Affairs. "Her office was the favored watering spot for Latin right-wingers visiting Washington."

More recently, De Moss devoted considerable time to attacking the government of Violeta Chamorro, on the grounds that her administration was under the thumb of the Sandinistas. The centerpiece of her efforts was the so-called *De Moss Report* of 1992, a well-crafted piece of disinformation on alleged Sandinista perfidy which the Washington Office on Latin America describes as being "replete with glaring factual errors, distortions and farfetched allegations."

To give just one example, the report told the tale of six ex-*contras* who were said to have been killed in a "brutal massacre" during which Sandinista police officers went "house to house, systematically capturing and assassinating former members of the Nicaraguan Resistance and their friends." This fabrication was based on an incident in which a number of demobilized *contras* took over a police station and were killed, along with several unarmed bystanders, in a shootout with army forces sent to recapture the building.

On a lighter note, the report also accused Chamorro of nepotism. That was somewhat ironic as De Moss's sister, Elizabeth, was hired by the SFRC a few years ago and worked on the study as a researcher.

The report's exaggerations were typical of De Moss's tendency to mix fantasy with reality, with the latter frequently getting the short end of the stick. She once accused *The Washington Times* of endangering her life by publishing her home address, saying her stand "against violence and terrorism in Central America" had made her a "potential target of physical mischief," especially as the Sandinistas were known to "murder people in the United States."

However, no one denies De Moss's excellent capacity to obtain information, a skill said to be based on her close ties to intelligence agencies across Central America. Bruce Cameron, a *contra* supporter who later lobbied for Chamorro, said that during the 1992 debate on aid to Managua, De Moss "had better information than the Nicaraguan government or the State Department. She was days and sometimes weeks ahead of us."

De Moss's new husband, whose previous girlfriend was a *contra* spokeswoman, is a "born again" Christian and close friend of Gen. Luis Alonso Discua Elvir, the best man at the Dec. 29 wedding. Discua, now head of the armed forces, was the first leader of the infamous Battalion 316, which is accused of plotting the disappearances of hundreds of leftists in the 1980s. But, one source familiar with the Honduran armysays Fonseca, though linked to Discua, "comes from the progressive sector of the military. That means he's not a known sociopath."

Fonseca's current position is head of the *Instituto de Prevision Militar*, the armed forces' huge pension fund, the primary device by which the army has gobbled up important sectors of the national economy. A graft machine which has traditionally made its overseer rich—"the right to exploit one's position for private profit has long been an accepted perquisite of a military career [in Honduras]," says a 1993 report by the Lawyers Committee for Human Rights—the pension fund runs a bank, owns a number of factories, including one of Central America's largest cement plants, and even offers a credit card.

De Moss's goodbye party in Washington was a hot social affair with more than a dozen senators and several Clinton administration officials in attendance, including Wendy Sherman, the State Department's Assistant Secretary for Legislative Affairs. "Everybody knew Deborah and thought she was a terrific girl," says Adm. Nance in explaining the event's appeal.

Among De Moss's backers is a staffer for one of the most liberal members of the Senate, who defended her in a phone interview by saying that even if he disagreed with her, she "deeply believes in her ideas"—a defense which if widely accepted would exonerate criminals ranging from Charles Manson to Pol Pot. In another bizarre formulation, the staffer angrily rejected fielding any questions about Fonseca's military history, suggesting that that would be probing into De Moss's "personal affairs" and was therefore below the belt.

De Moss's continued employment at the SFRC will make her the only one of 6,000 senate employees who lives outside of the U.S. That is raising objections in Washington, especially as De Moss's access to confidential information from both Honduras and the United States will facilitate Helm's longstanding practice of pursuing his own foreign policy objectives. Robert White, now at the Center for International Policy, calls the situation extremely disturbing and one which "at a minimum requires public debate." •

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Henry Hyde and the Bankruptcy of Clyde Federal

No member of congress has been more diligent in pushing for full exposure of Bill Clinton's involvement in the Whitewater scandal than Rep. Henry Hyde of Illinois. Best known for his leading role in the anti-abortion movement, Hyde is calling for a thorough investigation into Madison Guaranty, the Little Rock S&L which sits at the center of the Whitewater affair and whose owner is a friend of Clinton's. The government closed Madison in 1989, costing taxpayers, Hyde notes with outrage, roughly $50 million.

Hyde's office eagerly provided **Counterpunch** with its "Whitewater Family Tree," a detailed chart that seeks to explain the confusing scandal by linking together dozens of individuals and institutions involved in the affair.

However, the congressman and his staff are somewhat less forthcoming when it comes to discussing why Hyde is being sued by the Resolution Trust Corporation for his role in the failure of Clyde Federal Savings and Loan, an Illinois thrift on whose board Hyde served in the early 1980s. Clyde went bankrupt in 1990 at a cost to taxpayers of about $72 million.

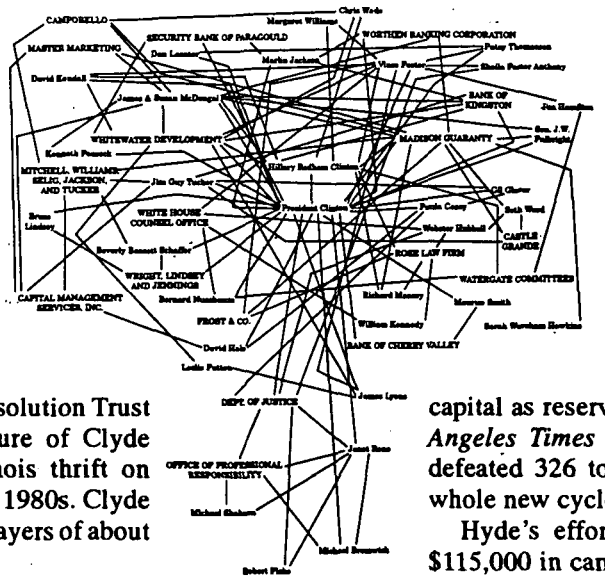
The RTC has charged Hyde and 11 other former Clyde officers with gross negligence and breach of fiduciary duty. To help readers understand the case, and the intricate complexities of the congressman's relationship to the S&L industry, **Counterpunch** *has produced the "Hyde Family Tree."*

Republican Policy Committee

Policy Primer

Henry J. Hyde, Chairman January 24, 1994

THE WHITEWATER FAMILY TREE



S&L Industry

↑ ↓

Rep. Henry Hyde

Hyde was elected to Congress in 1974 and soon joined the House Banking Committee. His role in the Clyde affair—which has been pieced together by reporter Elaine Hopkins of Peoria's *Journal Star* but virtually ignored by the rest of the press—begins in 1981, the year he stepped down from the Committee and was named to the S&L's board. He served until 1984, earning $4,000 annually.

According to the RTC, Hyde voted in favor of options trading that violated federal law and which resulted in losses of $10 million for Clyde. During Hyde's tenure the S&L also helped finance a $28.5 million beachfront condominium complex in Port Aransas, Texas, a project which later collapsed. Clyde's board, charges the RTC, "relied upon information provided and analyzed by a broker who stood to receive a substantial fee" if the project moved forward. The broker in question was J. William Oldenburg, who the Securities and Exchange Commission charged with fraud in 1974 and who had ties to Eureka Federal Savings, a California thrift that has been linked to the mob.

Hyde, who in Congress consistently backed the deregulation of S&Ls, lined up with the industry on seven major pieces of legislation during the last decade. That includes his opposition to a 1987 amendment which would have restricted risky loans by S&Ls, and his proposed amendment two years later which would have allowed thrifts to escape raising $6 billion in new capital as reserves against potential losses. The *Los Angeles Times* called the amendment, which was defeated 326 to 94, a device that would "invite a whole new cycle of financial failures."

Hyde's efforts were rewarded with more than $115,000 in campaign contributions from the banking community during the 1980s. More than $7,000 came from the U.S. League of Savings Institutions, the S&L industry's chief lobbying group. Sylvia Miedema, the deceased former head of Clyde whose estate is also being sued by the RTC, pitched in another $5,850.

Hyde was long close to Miedema, who told *Crain's Chicago Business* in 1981, when the congressman stepped down from the Banking Committee, "Of course we'll [S&L executives] miss him. But I'm sure he won't desert us." Hyde certainly didn't disappoint Miedema, whose salary he voted to increase while serving on the thrift's board.

The Clyde affair is just a small chapter in the S&L disaster in Illinois, where more than 100 thrifts failed and some $3.5 billion disappeared. The *Journal Star*'s Hopkins, who has also exposed the involvement of a number of other politicians in the catastrophe, says available information involving Illinois officials, crime and S&Ls could keep investigators busy for years. "Whistleblowers have screamed about Illinois to anyone who would listen," she says. "So far, nobody has." •

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